

111TH CONGRESS
1ST SESSION

S. 1957

To amend the Public Utility Regulatory Policies Act of 1978 to authorize the Secretary of Energy to make loans to publicly owned electric utilities to finance and refinance projects to comply with any Federal energy efficiency resource standard, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to authorize the Secretary of Energy to make loans to publicly owned electric utilities to finance and refinance projects to comply with any Federal energy efficiency resource standard, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. LOANS TO PUBLICLY OWNED ELECTRIC UTILI-**
 2 **TIES TO COMPLY WITH FEDERAL ENERGY EF-**
 3 **FICIENCY RESOURCE STANDARD AND FOR**
 4 **OTHER PURPOSES.**

5 Title VI of the Public Utility Regulatory Policies Act
 6 of 1978 (16 U.S.C. 2601 et seq.) is amended by adding
 7 at the end the following:

8 **“SEC. 610. LOANS TO PUBLICLY OWNED ELECTRIC UTILI-**
 9 **TIES TO COMPLY WITH FEDERAL ENERGY EF-**
 10 **FICIENCY RESOURCE STANDARD AND FOR**
 11 **OTHER PURPOSES.**

12 “(a) PURPOSES.—The purposes of this section are—

13 “(1) to reduce the cost incurred by publicly
 14 owned electric utilities in complying with any Fed-
 15 eral energy efficiency resource standard and for
 16 other purposes; and

17 “(2) to minimize the impact of compliance on
 18 electricity rates for consumers.

19 “(b) DEFINITION OF PUBLICLY OWNED ELECTRIC
 20 UTILITY.—In this section, the term ‘publicly owned elec-
 21 tric utility’ means a State utility with a service obligation,
 22 as those terms are defined in section 217 of the Federal
 23 Power Act (16 U.S.C. 824q) (as in effect on the date of
 24 enactment of this section).

1 “(c) LOANS.—The Secretary shall make loans avail-
 2 able to publicly owned electric utilities to carry out quali-
 3 fied projects approved by the Secretary.

4 “(d) QUALIFIED PROJECTS.—

5 “(1) IN GENERAL.—A loan may be made under
 6 this section—

7 “(A) to finance or refinance the costs of
 8 the acquisition, construction, or improvement of
 9 an electric generation, transmission, or distribu-
 10 tion facility or utility property or assets, includ-
 11 ing the costs of any indirect acquisition of such
 12 a facility or any utility property or assets; or

13 “(B) to refinance bonds issued by a State
 14 utility described in section 10631(c)(3) of the
 15 Revenue Act of 1987 (Public Law 100–203;
 16 101 Stat. 1330–455).

17 “(2) DISAPPROVAL.—The Secretary may dis-
 18 approve an application for a loan for a project under
 19 this section if the Secretary determines that the rev-
 20 enues available to repay the loan are unlikely to be
 21 sufficient to cover the repayment obligations of the
 22 proposed loan.

23 “(e) TERMS.—A loan made by the Secretary to a
 24 publicly owned electric utility under this section shall—

25 “(1) be for a term of not to exceed 30 years;

1 “(2) be secured in a manner that is consistent
2 with customary financing arrangements for publicly
3 owned electric utilities; and

4 “(3) bear an annual interest rate that is not
5 more than the lesser of—

6 “(A) 50 basis points more than the Fed-
7 eral funds rate established by the Board of
8 Governors of the Federal Reserve System; or

9 “(B) 2 percent.

10 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to carry out this section
12 such sums as are necessary.”.

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